



## EVERGREEN RX

### OFFERS PRESCRIPTION DRUG EVENT (PDE) SUPPORT FOR MEDICARE PART D

*Carve-out your Medicare PDE's from your Claim Adjudicator.*

The Prescription Drug Event (PDE) process, created by CMS with the introduction of Medicare Part D, is a financial reconciliation process to document and validate the appropriate use of Medicare dollars administered by a health plan for its drug benefit.

There are many idiosyncrasies with the generation of PDE records, all of which may lead to errors or rejections by CMS, which increases financial exposure to a health plan. Below is a summary of the process and several of the common difficulties are identified below as well as a range of services Evergreen Rx provides health plans with this process.

#### Procedure Summary

- The PDE record was unheard of prior to the Medicare Part D legislation and the private industry did not have an infrastructure to support
- Each PBM has built a proprietary process to generate PDE records, which entails the summarizing of claims experience and the generation of new data elements per CMS guidance

- The PDE processes, although proprietary, need to possess a level of interoperability as beneficiaries can change health plans and PBMs throughout the benefit year
- PBMs have varied success on accurate generation, and more importantly correction, of PDE records; rejection rates vary between 1% to 15+%

#### Common Difficulties

- Only one PDE record is to exist for a claim experience; if a prescription is filled, reversed by a pharmacy, then re filled, this must be reduced to one PDE
- As a beneficiaries eligibility changes, perhaps a LICs level and/or a plan change, PDE records must be retroactively modified to the effective date, including all PDEs following that effective date; this has significant potential for errors in calculations



- Beneficiaries that hold secondary coverage, often through state “wrap” programs, need PDE records to accurately reflect primary and secondary payments
- Claims that occur upon entering the donut hole and exiting the donut hole to catastrophic coverage are titled bridge claims; these claims must be fragmented into a pre and post payment scheme dependent on which side of the donut hole the benefits dollars are drawing from; the sequence of multiple claims submitted and hence sequence of PDEs generated will determine exactly when the bridge claim occurs

**EVERGREEN RX PROVIDES SUPPORT FOR PRESCRIPTION DRUG EVENT (PDE) MEDICARE PART D INCLUDING:**

**PDE Reconciliation**

- A review of all claims experience from PBM and a PDE records submitted to CMS for the benefit year to validate and “tie-out” the claim experience and financial liabilities
- Reconciles and provides reporting to minimize financial exposure due to errors from CMS year-end response files, including prioritization of errors to be corrected and subsequent evaluation of re-submissions to diminish rejection rate
- End of benefit year processing

**PDE Creation and Submission**

- A monthly process of generating and submitting PDE records to CMS
- “Carves-out” the PDE procedures from PBM claims adjudication system

- Claim files taken from PBM, PDE records generated, submitted and response files reviewed
- Included monthly audit and reporting package to track PDE progress

**PDE Auditing and Monthly Reporting**

- Monthly analysis, report and interpretation of both PDE records submitted to CMS and the CMS response files to the PDE submission
- A validation of PDE submissions and prioritization of errors needing correction; based on best financial return
- The analysis provides reports summarizing accepted and rejected PDE records, rejection details and additional reports focused on LICS rejections and Part D non-covered drug rejections

**PDE Calculations Review**

- A quality check and balance of a PBM’s PDE processing engine
- A sample review of PDE records to determine if the financial fields required to be reported to CMS are calculated correctly using most current CMS guidance
- One-time testing procedure of PDE engine
- More frequent tests may be warranted if the organization generating the PDE records is making changes to PDE programming logic

---

For more information contact Craig Stephens, Senior Vice President, Pharmacy Services at [cstephens@evergreenre.com](mailto:cstephens@evergreenre.com), (952) 345-0503; or Christine Heutinck, Senior Pharmacy Consultant, [cheutinck@evergreenre.com](mailto:cheutinck@evergreenre.com), (816)429-6424.

